

By

*Frank Madden*

S.B. No. 830

A BILL TO BE ENTITLED

AN ACT

relating to billing policies of certain health care professionals and facilities; providing administrative penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 241.154(d), Health and Safety Code, is amended to read as follows:

(d) A hospital may not charge a fee for:

(1) providing health care information under Subsection (b) to the extent the fee is prohibited under Subchapter M, Chapter 161;

(2) a patient to examine the patient's own health care information;

(3) providing an itemized statement of billed services to a patient or third-party payor, except as provided under Section 311.002(f) [~~311.002(e)~~]; or

(4) health care information relating to treatment or hospitalization for which workers' compensation benefits are being sought, except to the extent permitted under Chapter 408, Labor Code.

SECTION 2. Section 311.002, Health and Safety Code, is amended to read as follows:

Sec. 311.002. ITEMIZED STATEMENT OF BILLED SERVICES. (a) Each hospital shall develop, implement, and enforce a written policy for the billing of hospital services and supplies. The

*Replaced by Sub*

1 policy must include:

2 (1) a periodic review of the itemized statements  
3 required by Subsection (b); and

4 (2) a procedure for handling complaints relating to  
5 billed services.

6 (b) Not later than the 30th [~~10th~~] business day after the  
7 date of the hospital discharge of a person who receives hospital  
8 services, the hospital shall provide on request [~~have-available~~] an  
9 itemized statement of the billed services provided to the person.

10 The itemized statement must:

11 (1) be printed in a conspicuous manner;

12 (2) list the date services and supplies were provided;

13 (3) state whether:

14 (A) a claim has been submitted to a third party  
15 payor; and

16 (B) a third party payor has paid the claim;

17 (4) if payment is not required, state that payment is  
18 not required:

19 (A) in a typeface that is bold-faced,  
20 capitalized, underlined, or otherwise set out from surrounding  
21 written material; or

22 (B) by other reasonable means so as to be  
23 conspicuous that payment is not required; and

24 (5) contain the telephone number of the facility to  
25 call for an explanation of acronyms, abbreviations, and numbers  
26 used to describe the services provided or supplies used or any  
27 other questions regarding the bill.

1           (c) [~~†b†~~] Before a person is discharged from a hospital, the  
2 hospital shall inform the person of the availability of the  
3 statement.

4           (d) [~~†e†~~] To be entitled to receive a statement, a person  
5 must request the statement not later than one year after the date  
6 on which the person is discharged from the hospital. The hospital  
7 shall provide the statement to the person not later than the 30th  
8 [~~†0th~~] day after the date on which the person requests the  
9 statement.

10          (e) [~~†d†~~] A hospital shall provide an itemized statement of  
11 billed services to a third party payor who is actually or  
12 potentially responsible for paying all or part of the billed  
13 services provided to a patient and who has received a claim for  
14 payment of those services. To be entitled to receive a statement,  
15 the third party payor must request the statement from the hospital  
16 and must have received a claim for payment. The request must be  
17 made not later than one year after the date on which the payor  
18 received the claim for payment. The hospital shall provide the  
19 statement to the payor not later than the 30th [~~†0th~~] day after the  
20 date on which the payor requests the statement. If a third party  
21 payor receives a claim for payment of part but not all of the  
22 billed services, the third party payor may request an itemized  
23 statement of only the billed services for which payment is claimed  
24 or to which any deduction or copayment applies.

25          (f) [~~†e†~~] If a person, including a third party payor,  
26 requests more than two copies of the statement, the hospital may  
27 charge a reasonable fee for the third and subsequent copies

1 provided to that person. The fee may not exceed the hospital's  
2 cost to copy, process, and deliver the copy to the person.

3 (g) [~~f~~] The Texas Department of Health or other  
4 appropriate licensing agency may enforce this section by assessing  
5 an administrative penalty, obtaining an injunction, or providing  
6 [by] any other appropriate remedy, including suspending, revoking,  
7 or refusing to renew a hospital's license.

8 (h) [~~g~~] In this section, "hospital" includes:

9 (1) a hospital licensed under Chapter 241;

10 (2) a treatment facility licensed under Chapter 464;

11 and

12 (3) [~~2~~] a mental health facility licensed under  
13 Chapter 577.

14 (i) [~~h~~] This section does not apply to a hospital  
15 maintained or operated by the federal government.

16 SECTION 3. Section 311.0025, Health and Safety Code, is  
17 amended by adding Subsection (e) to read as follows:

18 (e) A licensing agency may not take disciplinary action  
19 against a hospital, treatment facility, mental health facility, or  
20 health care professional for unknowing and isolated billing errors.

21 SECTION 4. Section 5(b), Article 4512p, Revised Statutes, is  
22 amended to read as follows:

23 (b) A health care professional may not violate Section  
24 311.0025, Health and Safety Code [~~persistently--or--flagrantly~~  
25 ~~overcharge-or-overtreat-a-patient~~].

26 SECTION 5. Section 3.08, Medical Practice Act (Article  
27 4495b, Vernon's Texas Civil Statutes), is amended to read as

1 follows:

2           Sec. 3.08. GROUNDS FOR REFUSAL TO ADMIT PERSONS TO  
3 EXAMINATION AND TO ISSUE LICENSE AND RENEWAL LICENSE AND FOR  
4 DISCIPLINARY ACTION. The board may refuse to admit persons to its  
5 examinations and to issue a license to practice medicine to any  
6 person and may take disciplinary action against any person for any  
7 of the following reasons:

8           (1) submission of a false or misleading statement,  
9 document, or certificate to the board in an application for  
10 examination or licensure; the presentation to the board of any  
11 license, certificate, or diploma that was illegally or fraudulently  
12 obtained; the practice of fraud or deception in taking or passing  
13 an examination;

14           (2) conviction of a crime of the grade of a felony or  
15 a crime of a lesser degree that involves moral turpitude;

16           (3) intemperate use of alcohol or drugs that, in the  
17 opinion of the board, could endanger the lives of patients;

18           (4) unprofessional or dishonorable conduct that is  
19 likely to deceive or defraud the public or injure the public.  
20 Unprofessional or dishonorable conduct likely to deceive or defraud  
21 the public includes but is not limited to the following acts:

22           (A) committing any act that is in violation of  
23 the laws of the State of Texas if the act is connected with the  
24 physician's practice of medicine. A complaint, indictment, or  
25 conviction of a law violation is not necessary for the enforcement  
26 of this provision. Proof of the commission of the act while in the  
27 practice of medicine or under the guise of the practice of medicine

1 is sufficient for action by the board under this section;

2 (B) failing to keep complete and accurate  
3 records of purchases and disposals of drugs listed in Chapter 481,  
4 Health and Safety Code, or of controlled substances scheduled in  
5 the Federal Comprehensive Drug Abuse Prevention and Control Act of  
6 1970, 21 U.S.C.A. Section 801 et seq. (Public Law 91-513). A  
7 physician shall keep records of his purchases and disposals of  
8 these drugs to include without limitation the date of purchase, the  
9 sale or disposal of the drugs by the physician, the name and  
10 address of the person receiving the drugs, and the reason for the  
11 disposing or dispensing of the drugs to the person. A failure to  
12 keep the records for a reasonable time is grounds for revoking,  
13 canceling, suspending, or probating the license of any practitioner  
14 of medicine. The board or its representative may enter and inspect  
15 a physician's place(s) of practice during reasonable business hours  
16 for the purpose of verifying the correctness of these records and  
17 of taking inventory of the prescription drugs on hand;

18 (C) writing prescriptions for or dispensing to a  
19 person known to be an abuser of narcotic drugs, controlled  
20 substances, or dangerous drugs or to a person who the physician  
21 should have known was an abuser of the narcotic drugs, controlled  
22 substances, or dangerous drugs. This provision does not apply to  
23 those persons:

24 (i) being treated by the physician for  
25 their narcotic use after the physician notifies the board in  
26 writing of the name and address of the person being so treated; or

27 (ii) who the physician is treating for

1       intractable pain under the Intractable Pain Treatment Act (Article  
2       4495c, Revised Statutes) and its subsequent amendments;

3               (D) writing false or fictitious prescriptions  
4       for dangerous drugs as defined by Chapter 483, Health and Safety  
5       Code, of controlled substances scheduled in the Texas Controlled  
6       Substances Act (Chapter 481, Health and Safety Code), or of  
7       controlled substances scheduled in the Federal Comprehensive Drug  
8       Abuse Prevention and Control Act of 1970, 21 U.S.C.A. Section 801  
9       et seq. (Public Law 91-513);

10              (E) prescribing or administering a drug or  
11       treatment that is nontherapeutic in nature or nontherapeutic in the  
12       manner the drug or treatment is administered or prescribed;

13              (F) prescribing, administering, or dispensing in  
14       a manner not consistent with public health and welfare dangerous  
15       drugs as defined by Chapter 483, Health and Safety Code, controlled  
16       substances scheduled in the Texas Controlled Substances Act  
17       (Chapter 481, Health and Safety Code), or controlled substances  
18       scheduled in the Federal Comprehensive Drug Abuse Prevention and  
19       Control Act of 1970, 21 U.S.C.A. Section 801 et seq. (Public Law  
20       91-513);

21              (G) violating Section 311.0025, Health and  
22       Safety Code, or any other state or federal law or rule related to  
23       billing [~~persistently-or-flagrantly--overcharging--or--overtreating~~  
24       ~~patients~~];

25              (H) failing to supervise adequately the  
26       activities of those acting under the supervision of the physician;  
27       or

1 (I) delegating professional medical  
2 responsibility or acts to a person if the delegating physician  
3 knows or has reason to know that the person is not qualified by  
4 training, experience, or licensure to perform the responsibility or  
5 acts;

6 (5) violation or attempted violation, direct or  
7 indirect, of any valid rules issued under this Act, either as a  
8 principal, accessory, or accomplice;

9 (6) use of any advertising statement that is false,  
10 misleading, or deceptive;

11 (7) advertising professional superiority or the  
12 performance of professional service in a superior manner if the  
13 advertising is not readily subject to verification;

14 (8) purchase, sale, barter, or use or any offer to  
15 purchase, sell, barter, or use any medical degree, license,  
16 certificate, diploma, or transcript of license, certificate, or  
17 diploma in or incident to an application to the board for a license  
18 to practice medicine;

19 (9) altering, with fraudulent intent, any medical  
20 license, certificate, diploma, or transcript of a medical license,  
21 certificate, or diploma;

22 (10) using any medical license, certificate, diploma,  
23 or transcript of a medical license, certificate, or diploma that  
24 has been fraudulently purchased, issued, or counterfeited or that  
25 has been materially altered;

26 (11) impersonating or acting as proxy for another in  
27 any examination required by this Act for a medical license; or

1 engaging in conduct which subverts or attempts to subvert any  
2 examination process required by this Act for a medical license.  
3 Conduct which subverts or attempts to subvert the medical licensing  
4 examination process includes, but is not limited to:

5 (A) conduct which violates the security of the  
6 examination materials, as prescribed by board rules;

7 (B) conduct which violates the standard of test  
8 administration, as prescribed by board rules; or

9 (C) conduct which violates the accreditation  
10 process, as prescribed by board rules;

11 (12) impersonating a licensed practitioner or  
12 permitting or allowing another to use his license or certificate to  
13 practice medicine in this state for the purpose of diagnosing,  
14 treating, or offering to treat sick, injured, or afflicted human  
15 beings;

16 (13) employing, directly or indirectly, any person  
17 whose license to practice medicine has been suspended, canceled, or  
18 revoked or association in the practice of medicine with any person  
19 or persons whose license to practice medicine has been suspended,  
20 canceled, or revoked or any person who has been convicted of the  
21 unlawful practice of medicine in Texas or elsewhere;

22 (14) performing or procuring a criminal abortion or  
23 aiding or abetting in the procuring of a criminal abortion or  
24 attempting to perform or procure a criminal abortion or attempting  
25 to aid or abet the performance or procurement of a criminal  
26 abortion;

27 (15) aiding or abetting, directly or indirectly, the

1 practice of medicine by any person, partnership, association, or  
2 corporation not duly licensed to practice medicine by the board;

3 (16) inability to practice medicine with reasonable  
4 skill and safety to patients by reason of illness, drunkenness,  
5 excessive use of drugs, narcotics, chemicals, or any other type of  
6 material or as a result of any mental or physical condition. In  
7 enforcing this subdivision the board shall, upon probable cause,  
8 request a physician to submit to a mental or physical examination  
9 by physicians designated by the board. If the physician refuses to  
10 submit to the examination, the board shall issue an order requiring  
11 the physician to show cause why he should not be required to submit  
12 to the examination and shall schedule a hearing on the order within  
13 30 days after notice is served on the physician. The physician  
14 shall be notified by either personal service or certified mail with  
15 return receipt requested. At the hearing, the physician and his  
16 attorney are entitled to present any testimony and other evidence  
17 to show why the physician should not be required to submit to the  
18 examination. After a complete hearing, the board shall issue an  
19 order either requiring the physician to submit to the examination  
20 or withdrawing the request for examination. An appeal from the  
21 decision of the board shall be taken under the Administrative  
22 Procedure Act;

23 (17) judgment by a court of competent jurisdiction  
24 that a person licensed to practice medicine is of unsound mind;

25 (18) professional failure to practice medicine in an  
26 acceptable manner consistent with public health and welfare;

27 (19) being removed, suspended, or having disciplinary

1 action taken by his peers in any professional medical association  
2 or society, whether the association or society is local, regional,  
3 state, or national in scope, or being disciplined by a licensed  
4 hospital or medical staff of a hospital, including removal,  
5 suspension, limitation of hospital privileges, or other  
6 disciplinary action, if that action in the opinion of the board was  
7 based on unprofessional conduct or professional incompetence that  
8 was likely to harm the public, provided that the board finds that  
9 the actions were appropriate and reasonably supported by evidence  
10 submitted to it. The action does not constitute state action on  
11 the part of the association, society, or hospital medical staff;

12 (20) repeated or recurring meritorious health-care  
13 liability claims that in the opinion of the board evidence  
14 professional incompetence likely to injure the public; or

15 (21) suspension, revocation, restriction, or other  
16 disciplinary action by another state of a license to practice  
17 medicine, or disciplinary action by the uniformed services of the  
18 United States, based upon acts by the licensee similar to acts  
19 described in this section. A certified copy of the record of the  
20 state taking the action is conclusive evidence of it.

21 SECTION 6. This Act takes effect September 1, 1999, and  
22 applies only to acts or omissions occurring on or after that date.

23 SECTION 7. The importance of this legislation and the  
24 crowded condition of the calendars in both houses create an  
25 emergency and an imperative public necessity that the  
26 constitutional rule requiring bills to be read on three several  
27 days in each house be suspended, and this rule is hereby suspended.

By: Madla S.B. No. 830  
(In the Senate - Filed March 3, 1999; March 4, 1999, read first time and referred to Committee on Health Services; March 25, 1999, reported adversely, with favorable Committee Substitute by the following vote: Yeas 5, Nays 0; March 25, 1999, sent to printer.)

COMMITTEE SUBSTITUTE FOR S.B. No. 830

By: Madla

A BILL TO BE ENTITLED  
AN ACT

relating to billing policies of certain health care professionals and facilities; providing administrative penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (d), Section 241.154, Health and Safety Code, is amended to read as follows:

(d) A hospital may not charge a fee for:

(1) providing health care information under Subsection (b) to the extent the fee is prohibited under Subchapter M, Chapter 161;

(2) a patient to examine the patient's own health care information;

(3) providing an itemized statement of billed services to a patient or third-party payor, except as provided under Section 311.002(f) [~~311.002(e)~~]; or

(4) health care information relating to treatment or hospitalization for which workers' compensation benefits are being sought, except to the extent permitted under Chapter 408, Labor Code.

SECTION 2. Section 311.002, Health and Safety Code, is amended to read as follows:

Sec. 311.002. ITEMIZED STATEMENT OF BILLED SERVICES.

(a) Each hospital shall develop, implement, and enforce a written policy for the billing of hospital services and supplies. The policy must include:

(1) a periodic review of the itemized statements required by Subsection (b); and

(2) a procedure for handling complaints relating to billed services.

(b) Not later than the 30th [~~10th~~] business day after the date of the hospital discharge of a person who receives hospital services, the hospital shall provide on request [~~have-available~~] an itemized statement of the billed services provided to the person. The itemized statement must:

(1) be printed in a conspicuous manner;

(2) list the date services and supplies were provided;

(3) state whether:

(A) a claim has been submitted to a third party payor; and

(B) a third party payor has paid the claim;

(4) if payment is not required, state that payment is not required:

(A) in a typeface that is bold-faced, capitalized, underlined, or otherwise set out from surrounding written material; or

(B) by other reasonable means so as to be conspicuous that payment is not required; and

(5) contain the telephone number of the facility to call for an explanation of acronyms, abbreviations, and numbers used to describe the services provided or supplies used or any other questions regarding the bill.

(c) [~~b~~] Before a person is discharged from a hospital, the hospital shall inform the person of the availability of the statement.

(d) [~~e~~] To be entitled to receive a statement, a person must request the statement not later than one year after the date

on which the person is discharged from the hospital. The hospital shall provide the statement to the person not later than the 30th [~~10th~~] day after the date on which the person requests the statement.

(e) [~~f~~] A hospital shall provide an itemized statement of billed services to a third party payor who is actually or potentially responsible for paying all or part of the billed services provided to a patient and who has received a claim for payment of those services. To be entitled to receive a statement, the third party payor must request the statement from the hospital and must have received a claim for payment. The request must be made not later than one year after the date on which the payor received the claim for payment. The hospital shall provide the statement to the payor not later than the 30th [~~10th~~] day after the date on which the payor requests the statement. If a third party payor receives a claim for payment of part but not all of the billed services, the third party payor may request an itemized statement of only the billed services for which payment is claimed or to which any deduction or copayment applies.

(f) [~~e~~] If a person, including a third party payor, requests more than two copies of the statement, the hospital may charge a reasonable fee for the third and subsequent copies provided to that person. The fee may not exceed the hospital's cost to copy, process, and deliver the copy to the person.

(g) [~~f~~] The Texas Department of Health or other appropriate licensing agency may enforce this section by assessing an administrative penalty, obtaining an injunction, or providing [by] any other appropriate remedy, including suspending, revoking, or refusing to renew a hospital's license.

(h) [~~g~~] In this section, "hospital" includes:

(1) a hospital licensed under Chapter 241;

(2) a treatment facility licensed under Chapter 464;

and

(3) [~~2~~] a mental health facility licensed under Chapter 577.

(i) [~~h~~] This section does not apply to a hospital maintained or operated by the federal government.

SECTION 3. This Act takes effect September 1, 1999, and applies only to acts or omissions occurring on or after that date.

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

\* \* \* \* \*

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

(SB) SCR SJR SR HB HCR HJR 830  
By MADLA  
(Author/Senate Sponsor)  
3/25/99  
(date)

Sir:

We, your Committee on HEALTH SERVICES, to which was referred the attached measure,  
have on 3/23/99, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
( ) the caption changed with adoption of the substitute

( ) do pass as substituted, and be ordered not printed

☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ( ) no

A revised fiscal note was requested. ☒ yes ( ) no

An actuarial analysis was requested. ( ) yes ☒ no

Considered by subcommittee. ( ) yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Nelson, Chair	X			
Senator Moncrief, Vice-Chair	X			
Senator Lindsay	X			
Senator Madla	X			
Senator Nixon	X			
TOTAL VOTES	5	0	0	0

COMMITTEE ACTION

S260 Considered in public hearing  
S270 Testimony taken

June Parr  
COMMITTEE CLERK

June Nelson  
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Retain one copy of this form for Committee files

WITNESS LIST

SB 830  
SENATE COMMITTEE REPORT  
Health Services Committee

March 23, 1999 - 1:30P

Registering, but not testifying:

For: Rushing, Linda (Texas Conference of Catholic Health  
Facilities), Austin

## **BILL ANALYSIS**

Senate Research Center  
76R9990 MCK-D

C.S.S.B. 830  
By: Madla  
Health Services  
3/24/1999  
Committee Report (Substituted)

### **DIGEST**

On September 18, 1997, Lieutenant Governor Bob Bullock issued a supplemental charge to the Interim Committee on Health and Human Services (committee) to study current practices in patient billing by Texas hospitals and providers of health care to evaluate the accuracy, clarity, and timeliness of patient billing. The committee found that current practices in patient billing by hospitals and health care providers is not adequate. A patient bill uses codes and acronyms which are not explained; lists dates that do not correspond to actual dates of treatment; and provides no information on contact persons who could answer questions on a bill. C.S.S.B. 830 would require specific information to be included in a patient bill.

### **PURPOSE**

As proposed, C.S.S.B. 830 establishes minimum requirements for an itemized statement of billed services.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 241.154(d), Health and Safety Code, to prohibit a hospital from charging a fee for providing an itemized statement of billed services to a patient or third-party payor, except as provided under Section 311.002(f), rather than 311.002(e).

SECTION 2. Amends Section 311.002, Health and Safety Code, to require each hospital to develop, implement, and enforce a written policy for the billing of hospital services and supplies. Requires the policy to include a periodic review of the itemized statements required by Subsection (b), and a procedure for handling complaints relating to billed services. Requires the hospital to provide on request an itemized statement of the billed services provided to the person, no later than the 30th, rather than 10th, business day after the date of the hospital discharge of a person who receives hospital services. Sets forth requirements for an itemized statement. Authorizes the Texas Department of Health or other appropriate licensing agency to enforce this section by assessing an administrative penalty, obtaining an injunction, or providing any other appropriate remedy, including suspending, revoking, or refusing to renew a hospital's license. Redefines "hospital." Makes conforming changes.

SECTION 3. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 4. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

SECTIONS 3-4.

Redesignated from SECTIONS 6 and 7. Deletes proposed SECTIONS 3, 4, and 5, regarding disciplinary actions against certain facilities and persons.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

March 24, 1999

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

March 22, 1999

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

## REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR CHRIS HARRIS, CHAIRMAN  
SENATE COMMITTEE ON ADMINISTRATION

Notice is hereby given that SB 830, by: MADLA,  
(Bill No.) (Author/Sponsor)  
was heard by the HEALTH SERVICES Committee on MARCH 23, 1999,  
and reported out with the recommendation that it be placed on the Local and Uncontested Calendar.

June Parr  
(Clerk of the reporting committee)

IMPORTANT: THE YELLOW COPY OF THIS FORM AND (1) COPY OF YOUR BILL OR RESOLUTION  
(COMMITTEE PRINTED VERSION) MUST BE DELIVERED TO THE ADMINISTRATION OFFICE,  
E1.714. DEADLINES FOR SUBMITTING BILLS WILL BE ANNOUNCED ON A REGULAR BASIS.

Committee Clerks: Original to Calendar Clerk. Pink copy for committee files. Green and yellow copies to bill author/sponsor.  
Author/Sponsor: Green copy for office files. Submit yellow copy to Administration with your bill.

8  
9 (b) to the extent the fee is prohibited under Subchapter M, Chapter  
10 161;  
11 (2) a patient to examine the patient's own health care  
12 information;  
13 (3) providing an itemized statement of billed services  
14 to a patient or third-party payor, except as provided under Section  
15 311.002(f) [311.002(e)]; or  
16 (4) health care information relating to treatment or  
17 hospitalization for which workers' compensation benefits are being  
18 sought, except to the extent permitted under Chapter 408, Labor  
19 Code.  
20 SECTION 2. Section 311.002, Health and Safety Code, is  
21 amended to read as follows:  
22 Sec. 311.002. ITEMIZED STATEMENT OF BILLED SERVICES. (a)  
23 Each hospital shall develop, implement, and enforce a written  
24 policy for the billing of hospital services and supplies. The

3-25-99  
4-7-99  
5-19-99

1 policy must include:

2 (1) a periodic review of the itemized statements  
3 required by Subsection (b); and

4 (2) a procedure for handling complaints relating to  
5 billed services.

6 (b) Not later than the 30th [10th] business day after the  
7 date of the hospital discharge of a person who receives hospital  
8 services, the hospital shall provide on request [have-available] an  
9 itemized statement of the billed services provided to the person.  
10 The itemized statement must:

11 (1) be printed in a conspicuous manner;

12 (2) list the date services and supplies were provided;

13 (3) state whether:

14 (A) a claim has been submitted to a third party  
15 payor; and

16 (B) a third party payor has paid the claim;

17 (4) if payment is not required, state that payment is  
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24 (5) contain the telephone number of the facility to  
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13 Chapter 577.

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19 crowded condition of the calendars in both houses create an  
20 emergency and an imperative public necessity that the  
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By: Madla  
(Van de Putte)

S.B. No. 830

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AN ACT

1 relating to billing policies of certain health care professionals  
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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

March 24, 1999

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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# HOUSE COMMITTEE REPORT

MAY 10 PM  
SE OF REPRESENT

1<sup>st</sup> Printing

By: Madla  
(Van de Putte)

S.B. No. 830

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23 days in each house be suspended, and this rule is hereby suspended.

COMMITTEE REPORT

The Honorable Pete Laney  
Speaker of the House of Representatives

5-5-99  
(date)

Sir:  
We, your Committee on Public Health  
to whom was referred SB 830 have had the same under consideration and beg to report  
back with the recommendation that it

- ☒ do pass, without amendment.
- ☐ do pass, with amendment(s).
- ☐ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- ☒ yes ☐ no A fiscal note was requested.
- ☐ yes ☒ no A criminal justice policy impact statement was requested.
- ☐ yes ☒ no An equalized educational funding impact statement was requested.
- ☐ yes ☒ no An actuarial analysis was requested.
- ☐ yes ☒ no A water development policy impact statement was requested.
- ☒ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor Vande Putte  
Joint Sponsors \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Co-Sponsors: \_\_\_\_\_

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Gray, Chair	✓			
Coleman, Vice-chair				✓
Capelo	✓			
Delisi	✓			
Glaze	✓			
Hilderbran	✓			
McClendon	✓			
Maxey	✓			
Uresti	✓			

Total     8     aye  
              0     nay  
              0     present, not voting  
              1     absent

Patricia Gray  
CHAIRMAN

## **BILL ANALYSIS**

Office of House Bill Analysis

S.B. 830  
By: Madla  
Public Health  
5/2/1999  
Engrossed

### **BACKGROUND AND PURPOSE**

On September 18, 1997, Lieutenant Governor Bob Bullock issued a supplemental charge to the Interim Committee on Health and Human Services (committee) to study current practices in patient billing by Texas hospitals and providers of health care to evaluate the accuracy, clarity, and timeliness of patient billing. The committee found that current practices in patient billing by hospitals and health care providers is not adequate. A patient bill uses codes and acronyms which are not explained; lists dates that do not correspond to actual dates of treatment; and provides no information on contact persons who could answer questions on a bill. S.B. 830 requires specific information to be included in a patient bill and establishes minimum requirements for an itemized statement of billed services.

### **RULEMAKING AUTHORITY**

It is the opinion of the Office of House Bill Analysis that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 241.154(d), Health and Safety Code, to make a conforming change.

SECTION 2. Amends Section 311.002, Health and Safety Code, as follows:

Sec. 311.002. ITEMIZED STATEMENT OF BILLED SERVICES. Requires each hospital to develop, implement, and enforce a written billing policy of hospital services and supplies. Provides that the policy must include a periodic review of the itemized statements required by Subsection (b) and a procedure for handling complaints relating to billed services. Requires a hospital to provide on request, rather than have available, an itemized statement of the billed services provided to a person no later than the 30th, rather than 10th, business day after the date of the person's discharge. Provides that the statement must:

- be printed in a conspicuous manner;
- list the date services and supplies were provided;
- state whether a claim has been submitted to a third party payor and if the payor has paid the claim;
- if payment is not required, state that payment is not required in a bold-faced, capitalized, underlined or otherwise predominant typeface or by other reasonable means to indicate that payment is not required; and
- contain the telephone number of the facility to call for certain questions regarding the bill.

Redesignates existing Subsections (b)-(h) to Subsections (c)-(i).

SECTION 3. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE ACTION

SB 830

May 5, 1999 1:30PM  
Considered in public hearing  
Testimony taken in committee  
Recommended to be sent to Local & Consent  
Reported favorably without amendment(s)

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

May 3, 1999

**TO:** Honorable Patricia Gray, Chair, House Committee on Public Health

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

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No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
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**LBB Staff:** JK, TP, KF

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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

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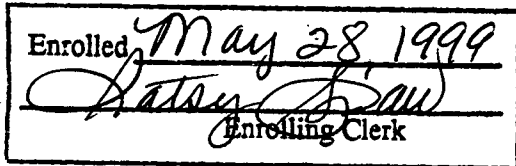
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S.B. No. 830

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 830 passed the Senate on April 8, 1999, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 830 passed the House on May 26, 1999, by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

May 3, 1999

**TO:** Honorable Patricia Gray, Chair, House Committee on Public Health

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

March 24, 1999

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 76th Regular Session**

March 22, 1999

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE:** **SB830** by Madla (Relating to billing policies of certain health care professionals and facilities; providing administrative penalties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 501 Department of Health, 529 Health and Human Services Commission,  
302 Office Of The Attorney General

**LBB Staff:** JK, TP, KF

3/4cert

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 830 passed the Senate on April 8, 1999, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 830 passed the House on May 26, 1999, by the following vote: Yeas       , Nays       .  
*a non-record vote.*

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor

S.B. No. 830

By Frank Madden

A BILL TO BE ENTITLED

AN ACT:

Relating to billing policies of certain health care professionals and facilities; providing administrative penalties.

MAR 03 1999 Filed with the Secretary of the Senate  
MAR 04 1999 Read and referred to Committee on HEALTH SERVICES  
Reported favorably \_\_\_\_\_  
MAR 25 1999 Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.  
Ordered not printed  
APR 08 1999 Laid before the Senate  
Senate and Constitutional Rules to permit consideration suspended by: { unanimous consent  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays  
APR 08 1999 Read second time, \_\_\_\_\_, and ordered engrossed by: { unanimous consent  
a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays  
APR 08 1999 Senate and Constitutional 3 Day Rule suspended by a vote of 29 yeas, 1 nays.  
APR 08 1999 Read third time, \_\_\_\_\_, and passed by: { A viva voce vote  
30 yeas, 0 nays

Butt King  
SECRETARY OF THE SENATE

OTHER ACTION:

April 8, 1999 Engrossed  
April 8, 1999 Sent to House

Engrossing Clerk

Antony Spaw

APR 12 1999 Received from the Senate  
APR 12 1999 Read first time and referred to Committee on Public Health  
MAY 05 1999 Reported \_\_\_\_\_ favorably (~~as amended~~) (~~as substituted~~)  
MAY 11 1999 Sent to Committee on (~~Calendars~~) (Local & Consent Calendars)  
MAY 26 1999 Read second time (~~comm. subst.~~) (~~amended~~); passed to third reading (~~failed~~) by a (non-record vote) (~~record vote of~~ \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)  
Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting.  
MAY 26 1999 Read third time (~~amended~~); finally passed (~~failed to pass~~) by a (non-record vote) (~~record vote of~~ \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)  
MAY 26 1999 Returned to Senate.  
MAY 26 1999 Returned from House without amendment.  
Returned from House with \_\_\_\_\_ amendments.  
Concurred in House amendments by a viva voce vote \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

Sharon Carter  
CHIEF CLERK OF THE HOUSE

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

**OTHER ACTION:**

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged.

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

MAY 10 PM 5:10  
SEC OF REPRESENTS